

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant :	Robert K. Samson	Art Unit :	3696
Assignee :	OnPlan, Inc.	Examiner :	Daniel S. Felten
Serial No. :	09/766,277	Conf. No. :	9675
Filed :	January 19, 2001		
Title :	INVESTMENT GUIDANCE SYSTEM WHICH ENABLES INDIVIDUALS TO RATE AND SELECT ASSETS BASED ON PERSONAL INVESTMENT PREFERENCES		

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COMMISSIONER FOR PATENTS

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REPLY BRIEF

Appellant files this Reply Brief pursuant to 37 C.F.R. § 41.41 in response to the Examiner's Answer mailed on May 25, 2010 and in support of an Appeal of the final rejection of claims 78-86 and 113-116 under 35 U.S.C. 103(a) over U.S. Patent No. 6,275,814 to Giansante *et al.* in view of U.S. Patent No. 5,126,936 to Champion *et al.* in the Final Office Action of June 9, 2009. No fees are believed to be due, however, the Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 29240-001. If any outstanding issues can be resolved by phone, the Patent Appeals Specialist is invited to contact the undersigned at his or her convenience.

Status of Claims

This is an appeal from the decision of the Primary Examiner in a Final Office Action dated June 9, 2009, rejecting claims 78-86 and 113-116. Claims 1-77 and 87-112 are cancelled. The pending claims have been twice rejected. Claims 78-86 and 113-116 are the subject of this appeal.

Grounds of Rejection to be Reviewed on Appeal

Whether claims 78-86 and 113-116 are patentable under 35 U.S.C. 103(a) over U.S. Patent No. 6,275,814 to Giansante *et al.* in view of U.S. Patent No. 5,126,936 to Champion *et al.*

Arguments

Appellant reiterates and incorporates herein by reference all the arguments previously presented in the Appellant's Appeal Brief, dated March 8, 2010, in Appellant's Pre-Appeal Brief Request for Review, dated November 9, 2009, and in Appellant's March 5, 2009, Amendment in Reply to Action of October 6, 2008

In the Examiner's Answer, the Examiner responded to the arguments in Appellant's Appeal Brief by reiterating, almost verbatim, the Examiner's contentions previously presented in the Examiner's June 9, 2009, Final Action, stating:

The appellant's main assertion is that Giansante lacks "means for receiving a relative weight of importance for said two or more criteria..." and "means for determining a rating for each asset based on the normalized values and the relative weights..." or "means for ranking" It is respectfully maintained that there is an uncertainty from the applicant's specification as to the corresponding structure to perform the various functions the applicant maintains as not found in the Giansante reference. It is being maintained that the 35 U.S.C. 103 set forth on 6/09/2009 provided reasoning for the combination of references and the applicant's piecemeal analysis of the reference can not be used to show non-obviousness by attacking the references individually. Similar to the applicant's invention, it is maintained that Giansante, in combination with Champion, discloses adjusting the weights of assets in each efficient portfolio to optimize the level of industry sector and diversification in the portfolio to maintain the portfolio at a position on or near the efficient frontier and the desired risk level. It is being maintained that the adjusting of weights to optimize the level of industry sector suggest a functional equivalent of ranking and normalization claimed in the applicant's invention inasmuch as normalization seeks to reduce redundancies in data to make its use more efficient and the maintenance of the portfolio a certain position and at a certain risk level suggests ranking (see at least Giansante, column 6, lines 7-67).

(Examiner's Answer, page 8)

The Examiner provided no additional reasons or explanations in support of his positions and rejections.

Rebuttal to "applicant's piecemeal analysis of the reference can not be used to show non-obviousness by attacking the references individually"

The Examiner's contentions that "applicant's piecemeal analysis of the reference can not be used to show non-obviousness by attacking the references individually" lacks any merit. Appellant is not attacking the references individually. Rather, Appellant's contentions are that both references relied upon by the Examiner fail to disclose many of the features of independent claim 78, as well as many of the features recited in the dependent claims.

For example, and as explained in the Appeal Brief, independent claim 78 (the only independent claim) recites "... means for providing two or more criteria associated with said assets for said user to evaluate; means for determining a normalized value for each of said two or more criteria; means for receiving a relative weight of importance for said two or more criteria based on the user's personal investment preferences; means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria ..."

Thus, Appellant's system determines a normalized value for each of the criteria (e.g., financial statistics) associated with an asset, and determines a rating for each asset that is based on the determined normalized values and relative weights assigned to the criteria used to evaluate the assets. A user can therefore control the relative importance of criteria associated with an asset (e.g., the asset's risk, R-square value, tax efficiency, etc.) to facilitate rating and ranking of assets.

On the other hand, Giansante describes financial modeling techniques in which conventional portfolio computations are modified to take into account assets exhibiting a statistical variation in the value of the expected investment return. Giansante also explains that multiple portfolios lying in an efficient zone are constructed and considered and that the portfolio/assets are selected by creating a set of weighted average portfolio:

As set forth above the classic computation of the efficient frontier treats the expected return of each of the assets as a constant. In the present invention conventional portfolio computations are modified to permit the

consideration of assets exhibiting a statistical variation in the value of the expected investment return. This permits the consideration and construction of multiple portfolios which lie in an efficient "zone" rather than on a precise efficient frontier. The methodology further refines the selection by averaging the set of zone portfolios to create a set of weighted average portfolios. The set of average portfolios is a benchmark that may be further modified in the methodology. For example the portfolio can be adjusted to ensure that a final recommended portfolio matches certain preset criteria which is illustratively set forth as the industry sector diversification of the market itself.

(Giansante, col. 2, lines 28-44)

Additionally, Giansante also indicates, in Giansante's claim 2, that its methods include "adjusting the weights of the assets in each efficient portfolio to optimize the level of industry sector and investment style diversification in the portfolio, so as to maintain the portfolio at a position on or near the efficient frontier and at the desired risk level" (Giansante, col. 6, lines 36-44). Thus, Giansante's weighting is performed on assets (or on a portfolio), and not on criteria that may be used or are associated with Giansante's assets/portfolios.

Champion, the secondary reference, describes a programmed controlled financial asset management system for implementing investor participation in capital markets through long and short positions in indexed investment vehicles (Champion, col. 1, lines 8-12). Champion indicates that investors can specify asset category weighing:

System operation is governed by the CPU (central processing unit) which receives the inputted data from the participating investors, in terms of deposits or withdrawals and changes to asset category weighting and respective MM. The CPU then performs an iterative calculation determining a required asset mix position for each account in response to the recently entered data for the operative period. The CPU aggregates the individual required trading positions for each account in each asset to determine a net trade in that asset group in response to all participants' requests and thereafter provides a recommended buy/sell order for execution in the marketplace. To the extent that the net of deposits and withdrawals and changes in asset weightings and MMs results in no new buying or selling being required by the system proprietor, significant transaction expenses are saved, which enable lower fees to be charged to participants.

(Champion, col. 5, lines 40-57)

While Champion's system presumably uses or performs asset weighting, Champion's system, however, does not perform or use weighting of criteria associated with assets or used to evaluate assets.

Thus, neither of the references relied upon by the Examiner in the rejections discloses or suggests weighing of criteria used to evaluate, or associated with, assets. Indeed, the Examiner admits that, "it is maintained that Giansante, in combination with Champion, discloses adjusting the weights of assets in each efficient portfolio to optimize the level of industry sector and diversification in the portfolio to maintain the portfolio at a position on or near the efficient frontier and the desired risk level" (Emphasis added, Examiner's Answer, page 8). That is, by the Examiner's own admission, all that Giansante and Champion can be said to disclose is that weights of assets are adjusted, **not** the weights of criteria used to evaluate assets.

Accordingly, contrary to the Examiner's contentions, Giansante and Champion each fails to disclose or suggest least the features "means for receiving a relative weight of importance for said two or more criteria based on the user's personal investment preferences," or "means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria," recited in independent claim 78.

For this reason alone, Appellant's independent claim 78 (as well as any of the claims depending from it) is patentable over the cited art.

As Appellant details in the Appeal Brief, the Giansante and Champion references also fail to disclose or suggest, alone or in combination, many of the other features recited in the claims under appeal.

Rebuttal to "there is an uncertainty from the applicant's specification as to the corresponding structure to perform the various functions"

Regarding the Examiner's contentions that "there is an uncertainty from the applicant's specification as to the corresponding structure to perform the various functions the applicant maintains as not found in the Giansante reference" (Examiner's Answer, page 8), as explained in detail in the Appeal Brief, Appellant's specification includes a detailed description of implementations of Appellant's system/platform that can be used perform the functions recited in claim 78. For example:

FIG. 1 illustrates the system architecture of the investment guidance system 100 which enables investors to determine long-term financial goals, select an optimized asset mix, select mutual funds from a pre-set universe based on personal investment preferences, execute mutual fund trades, receive information alerts when needed and evaluate: and adjust investments on an ongoing basis. The system facilitates the selection of mutual funds by allowing the investor to apply relative weights of importance to mutual fund criteria rather than requiring the investor to set fixed statistical thresholds. The system then sorts the available funds taking into account all of the weighted mutual fund criteria and presents the user with a set of ranked funds. According to the embodiment depicted in FIG. 1, the investment guidance system 100 includes a guidance server 120, a transaction server 110, a broadcast server 115, a participant data server 125, and a user system 130. The guidance server 120 is the primary provider of investment planning assistance to users, and is the central database repository for storing user profile and investment data. In this manner, ongoing investment monitoring may be performed and alerts may be triggered. The guidance server 120 and its function will be described in further detail below, in connection with FIG. 3. ... The transaction server 110 may be located at the site of a brokerage firm, wherein it accepts and executes securities transactions which are initiated by the user and transmitted via the guidance server 120. The transaction server 110 may also communicate with various stock 20 exchange servers to effect such transactions. As will be apparent to those skilled in the art, there are a number of ways that trades can be transmitted electronically for execution in a securities, commodities, or other exchanges.

(Specification, page 8, line 12, to page 9, line 22)

A computer-based implementation of the investment guidance system of FIG. 1 is shown in FIG. 2, and further described in the Specification, page 11, lines 2-16:

FIG. 2 depicts an example computer system capable of carrying out the functionality of the investment guidance system in FIG. 1. The computer system may represent an exemplary user system or any one of the plurality of servers referenced in FIG. 1. The system includes a central processing unit ("CPU") 250, read-only memory ("ROM") 210, random access memory ("RAM") 220, an encryption processor 230, a communication device 260, user interface 240 and a large capacity storage device 270. The large capacity storage device 270 may include hard disk magnetic or optical storage units, as well as CD-ROM drives or flash memory. The CPU 250 executes program code stored in one or more of the ROM 210, RAM 220 and/or large capacity storage device 270 according to conventional data processing techniques to carry out the functions and acts described in connection with the investment guidance system. The CPU 250 preferably comprises at least one high-speed digital data processor adequate to execute program modules for determining the probability of reaching a financial goal, developing a retirement and investment plan and evaluating mutual fund selection criteria. The CPU 250 may be embodied as a single commercially available processor or as a number of processors operating in parallel.

Further descriptions of Appellant's system and embodiments of structures performing the recited function of the claims under appeal are provided in the Specification at, for example, page 13, line 15, to page 14, line 2, and page 35, line 22, to page 36, line 22.

Thus, contrary to the Examiner's contentions, there is no uncertainty whatsoever about the structure used to perform the various functions recited in claim 78, or the various functions recited in any of the other pending claims under appeal.

Rebuttal to "adjusting of weights to optimize the level of industry sector suggest a functional equivalent of ranking and normalization claimed in the applicant's invention"

The Examiner stated that "[i]t is being maintained that the adjusting of weights to optimize the level of industry sector suggest a functional equivalent of ranking and normalization claimed in the applicant's invention inasmuch as normalization seeks to reduce redundancies in data to make its use more efficient and the maintenance of the portfolio

a certain position and at a certain risk level suggests ranking (see at least Giansante, column 6, lines 7-67)" (Examiner's Answer, page 8).

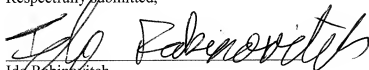
First, adjustment of weights, which are coefficients or factors assigned to other values/numbers to vary the other values'/numbers' computational effect, is not the same function as ranking and normalization. It is possible that ranking and normalization may be performed subsequent to a weighing operation that is used to vary the importance of values/numbers that are to be ranked, but weighing, or adjusting weights, is certainly not in any way the functional equivalent of ranking and/or normalizing. Adjusting weights is a completely distinct function from ranking and/or normalizing.

Second, Appellant notes that the Examiner's argument that "adjusting of weights" is functionally equivalent to the ranking and normalization claimed by Appellant is an implicit acknowledgement that such adjusting of weights is distinct from Appellant's criteria weighing. Put another way, the Examiner is effectively conceding that "adjusting of weights," described in the cited art, is not equivalent to the weighing of criteria in Appellant's claim 8 because the Examiner is already arguing that such "adjusting of weights" is equivalent to the ranking and/or normalizing functions recited in Appellant's claims.

Conclusion

For the foregoing reasons, as well as the reasons provided in Appellant's Appeal Brief, dated March 8, 2010, in Appellant's Pre-Appeal Brief Request for Review, dated November 9, 2009, and in Appellant's March 5, 2009, Amendment in Reply to Action of October 6, 2008, Appellant submits that claims 78-86 and 113-116 are allowable. Therefore, the Examiner erred in rejecting Appellant's claims and should be reversed.

Respectfully submitted,



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